



2 Undervalued Canadian Stocks Under \$50 to Buy in June 2021

Description

With TSX volatility on the rise again, investors are looking to diversify their portfolios with [undervalued stocks](#). The problem is, value is hard to find today. Almost every stock and sector appear overvalued right now. Economic reopening hopes are driving forward-looking expectations to insane levels today.

However, there's hope. There happen to be a few pockets of value left. In this article, I'm going to discuss three of my top picks in this regard.

Alimentation Couche-Tard

As far as undervalued stocks go, **Alimentation Couche-Tard** (TSX:ATD.B) continues to be one of my [top picks](#).

Couche-Tard's business model is in no way sexy. But that's exactly why it's trading at the valuation multiple it is right now.

Convenience stores and gas stations have never really been on the radar of most investors. However, this business is one which has provided long-term investors with excellent cash flow growth over time. In turn, Couche-Tard has turned this cash flow around and used its cash hoard to acquire a bigger business. A growth-by-acquisition play, Couche-Tard has provided long-term investors with excellent growth over time.

However, over the near term, the company's deal flow has slowed. Additionally, a recent large, failed bid has cast doubt on whether Couche-Tard can continue to pick up easy wins in the M&A game from here.

However, I think this company's track record speaks for itself. Couche-Tard is a long-term winner, trading at a near-term valuation that doesn't capture its future growth. For investors with a reasonable investing time frame, this is a very good thing.

Barrick Gold

As far as undervalued sectors go, precious metals and precious metals miners continue to be seriously undervalued. In this sector, one of the highest-quality names has to be **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

Barrick Gold is one of the biggest and best gold miners in the business. Size isn't everything, but it's pretty darn important for investors in the gold mining space. Ensuring a given company has enough reserves to continue operating for decades is important. It's estimated that Barrick's reserves could last more than 30 years. For long-term investors, that's a great thing. Particularly if investors are bullish on the price of gold.

Indeed, as the price of gold continues to hover around the US\$1,900 mark, gold miners are looking ever more attractive. However, compared to the price of gold, miners like Barrick haven't seen their share prices appreciate to the degree many (including me) expected. Accordingly, this is another dirt-cheap steal at these levels, in my view.

Barrick is planning on providing yet another special dividend to investors this year amounting to US\$0.78 per share. The company has already tripled its dividend since 2018, making this a sneaky dividend-growth play.

Indeed, for long-term investors, there's really nothing not to like about this value pick today.

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TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSX:ATD (Alimentation Couche-Tard Inc.)

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